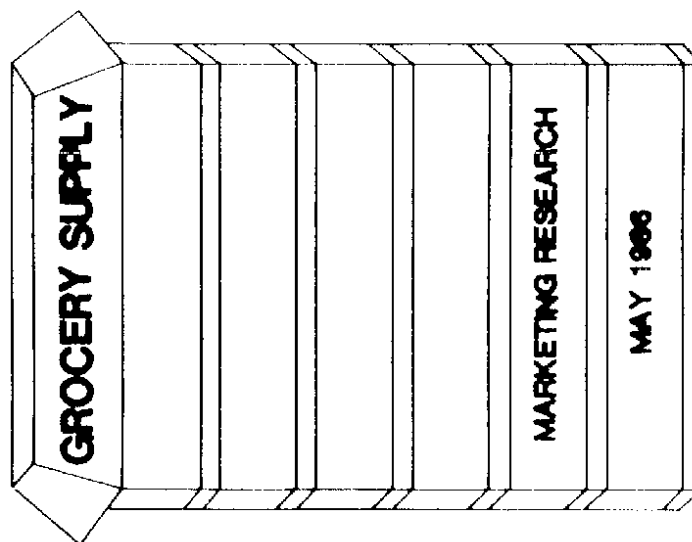


**PHILIP
S. MORRIS**

BOG

ANALYSIS



2061558697

**COMPUTER SIMULATES
RETAIL STORE
ENVIRONMENT**

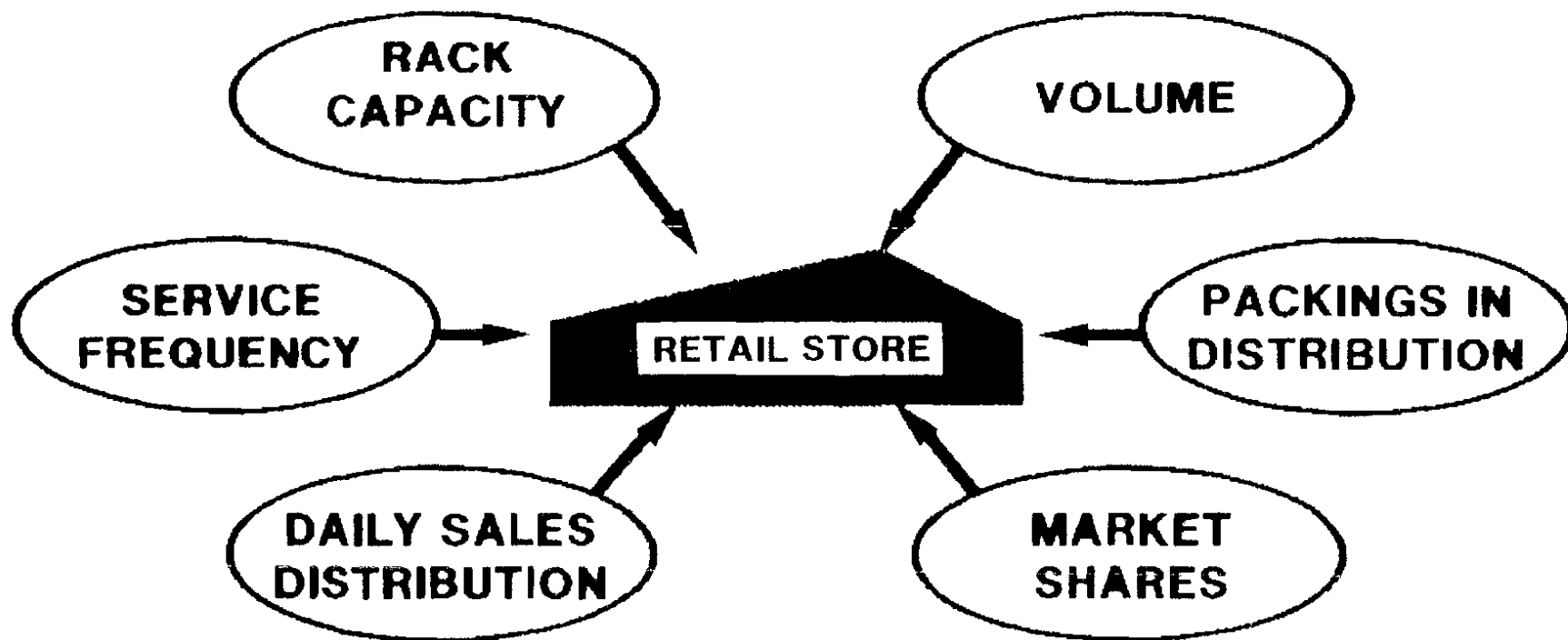
BOG

**PHILIP
MORRIS**

**PHILIP
MORRIS**

BOG

COMPUTER INPUTS

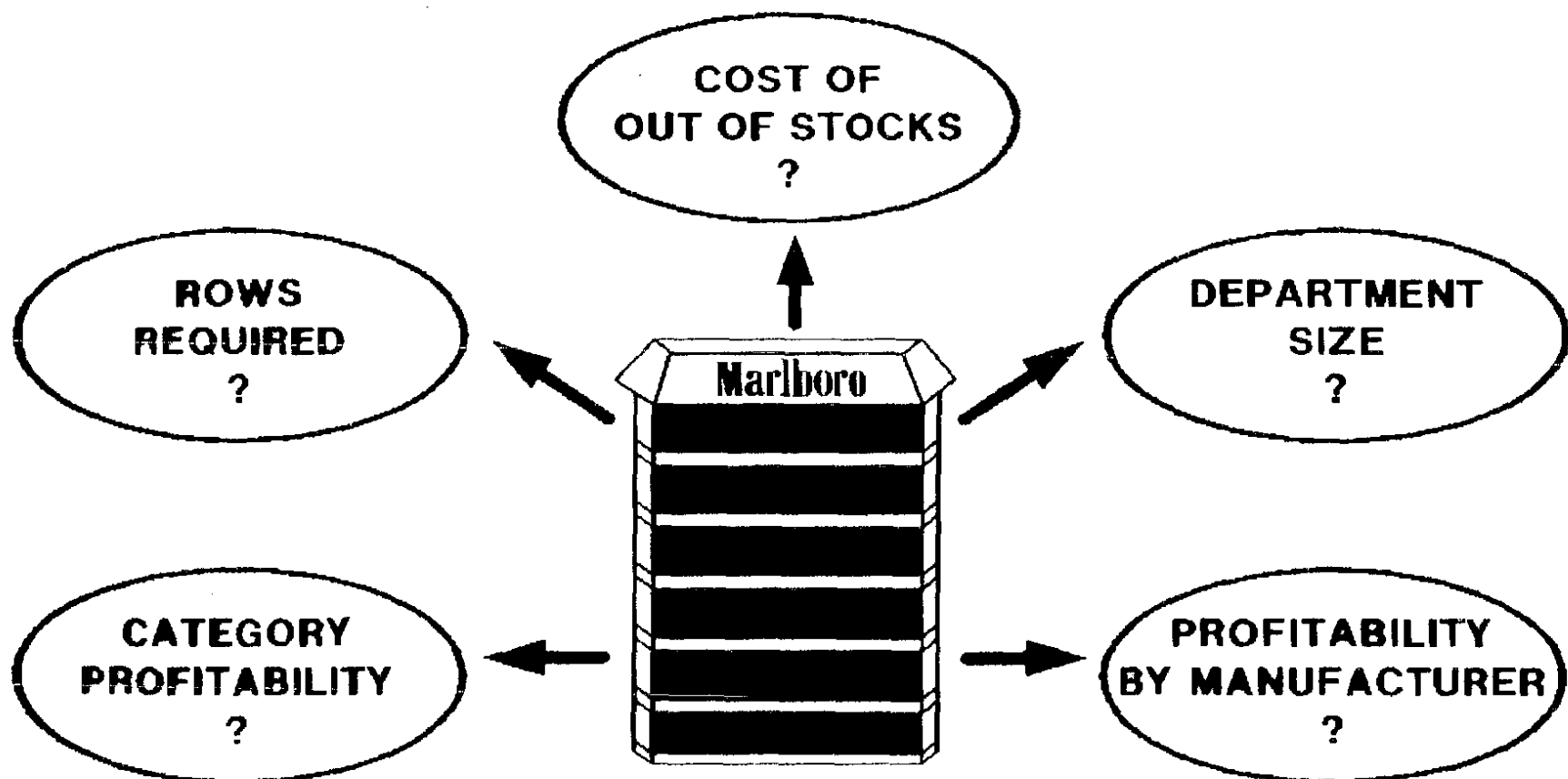


2061558699

**PHILIP
MORRIS**

BOG

ANSWER QUESTIONS



2061558700

GROCERY SUPPLY CO.
TOP 25 RETAIL ACCOUNTS

P.O.B. ANALYSIS
CURRENT

FIXTURE: RJR 210 ROW

PM ROWS: 59 (30.6%)

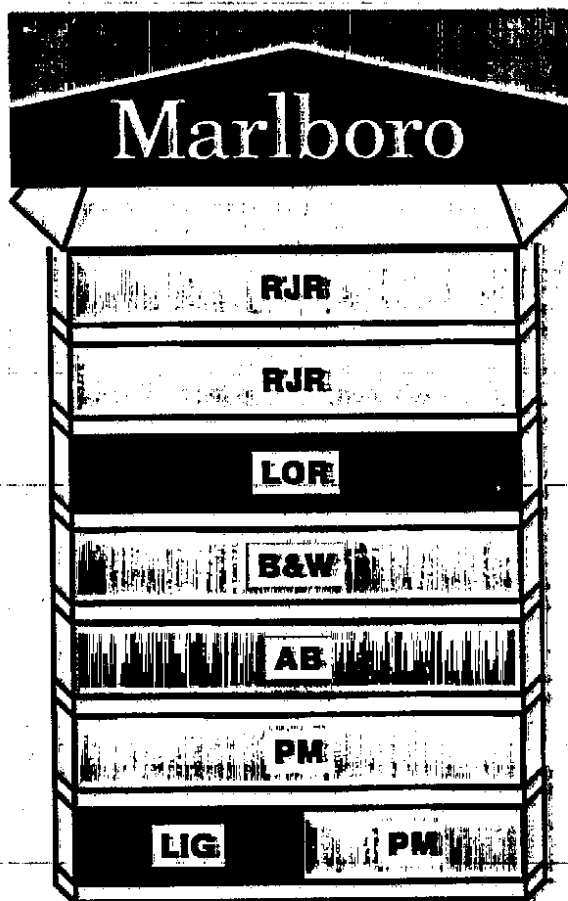
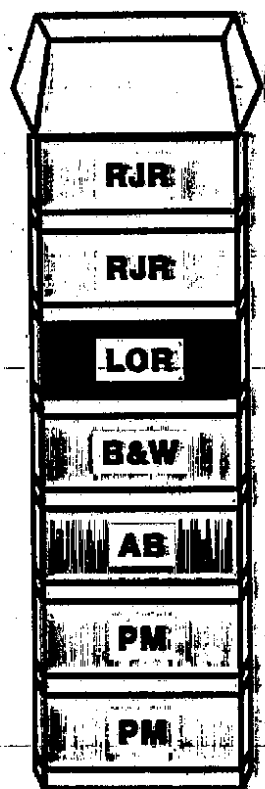
TOTAL VOLUME: 958 CPW

PM VOLUME: 363 (37.9%)

2061558701

GROCERY SUPPLY
EXISTING RACK

PHILIP
MORRIS



2061558702

5/22/86

PHILIP MORRIS PLAN-O-GRAM SYSTEM

POG A

GROCERY SUPPLY WITH 140 BRANDS IN DISTRIBUTION

EXPECTED OUT OF STOCKS BY COMPANY

RJR 210 ROW RACK

STORE TYPE: CONVENIENCE

MARKETS: DALLAS-FT. WORTH
HOUSTON
LAKE CHARLES-MONROE
OKLAHOMA CITY
SAN ANTONIO
SHREVEPORT

	AVERAGE WEEKLY OUT OF STOCKS	AVERAGE MONTHLY OUT OF STOCKS
PHILIP MORRIS	44	190
R. J. REYNOLDS	16	70
LORILLARD	0	0
BROWN & WILLIAMSON	5	20
AMERICAN BRANDS	0	1
LIGGETT GROUP	8	34
TOTAL	73	315

MONTHLY ECONOMIC IMPACT OF OUT OF STOCKS

	PAYMENTS	PROFIT* FROM POTENTIAL + SALES	PAYMENTS + = PROFITS	POTENTIAL LOST - REVENUE	TOTAL = PROFIT
PHILIP MORRIS	\$105	\$2,539	\$2,644	\$(289)	\$2,354
R. J. REYNOLDS	130	1,980	2,110	(107)	2,004
LORILLARD	114	242	356	(1)	356
BROWN & WILLIAMSON	87	732	819	(31)	788
AMERICAN BRANDS	61	394	455	(2)	454
LIGGETT GROUP	16	279	295	(51)	244
TOTAL	\$513	\$6,166	\$6,679	\$(481)	\$6,200

*VARIES DUE TO ROUNDING.

2061558703

GROCERY SUPPLY CO.
TOP 25 RETAIL ACCOUNTS

P.O.B. ANALYSIS
RECOMMENDED

FIXTURE: PM 240 ROW

PM ROWS: 108 (39.4%)

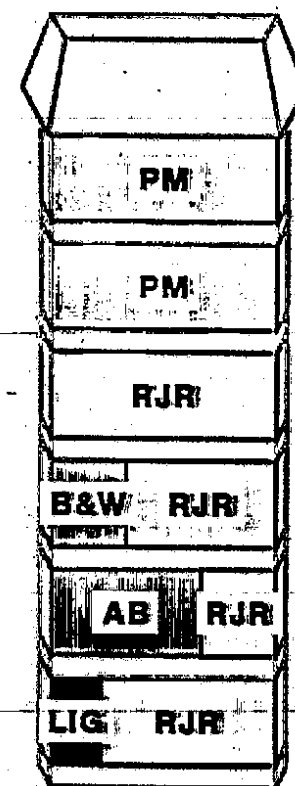
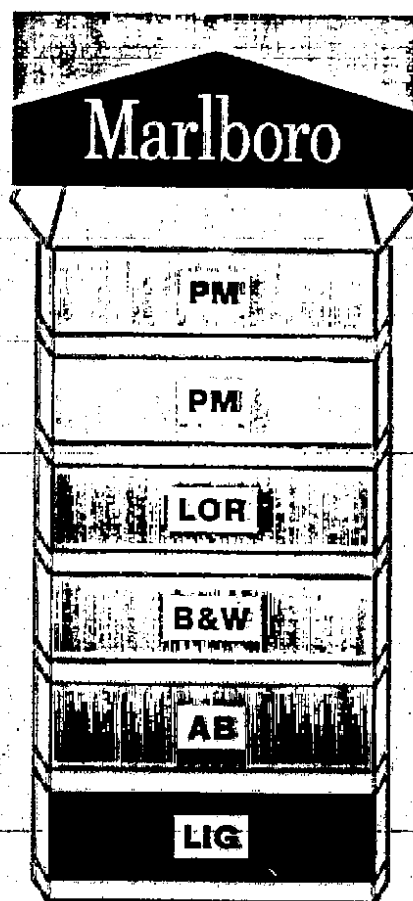
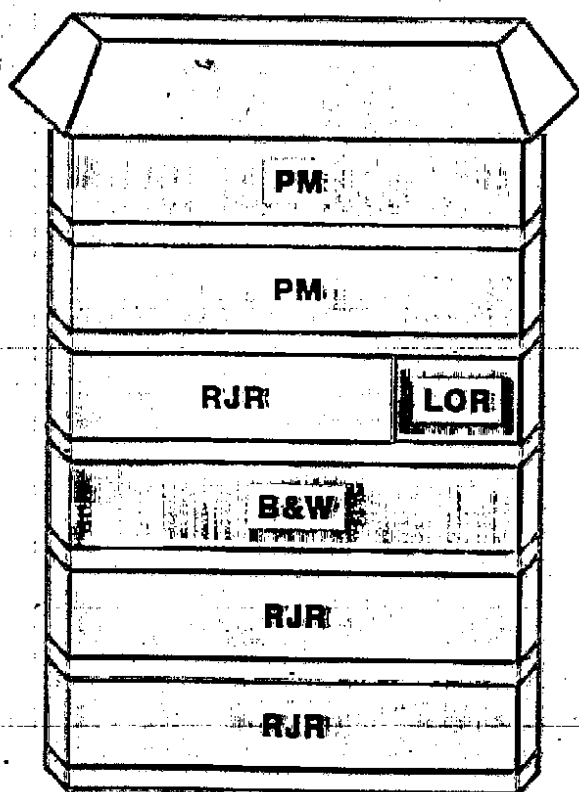
TOTAL VOLUME: 958 CPW

PM VOLUME: 363 (37.9%)

2061558704

GROCERY SUPPLY PROPOSED PM 240 RACK

PHILIP
MORRIS



2061558705

5/22/86

PHILIP MORRIS PLAN-O-GRAM SYSTEM

POG B

GROCERY SUPPLY WITH 140 BRANDS IN DISTRIBUTION

EXPECTED OUT OF STOCKS BY COMPANY

PM 240 ROW RACK

STORE TYPE: CONVENIENCE

MARKETS: DALLAS-FT. WORTH
HOUSTON
LAKE CHARLES-MONROE
OKLAHOMA CITY
SAN ANTONIO
SHREVEPORT

	AVERAGE WEEKLY OUT OF STOCKS	AVERAGE MONTHLY OUT OF STOCKS
PHILIP MORRIS	0	0
R. J. REYNOLDS	0	0
LORILLARD	0	0
BROWN & WILLIAMSON	0	0
AMERICAN BRANDS	0	0
LIGGETT GROUP	0	0
TOTAL	0	0

MONTHLY ECONOMIC IMPACT OF OUT OF STOCKS

	PAYMENTS	PROFIT* FROM POTENTIAL + SALES	PAYMENTS** = PROFITS	POTENTIAL LOST - REVENUE	TOTAL = PROFIT
PHILIP MORRIS	\$285	\$2,539	\$2,824	---	\$2,824
R. J. REYNOLDS	0	1,980	1,980	---	1,980
LORILLARD	66	242	308	---	308
BROWN & WILLIAMSON	96	732	828	---	828
AMERICAN BRANDS	52	394	446	---	446
LIGGETT GROUP	23	279	302	---	302
TOTAL	\$522	\$6,166	\$6,688	---	\$6,688

*VARIES DUE TO ROUNDING.

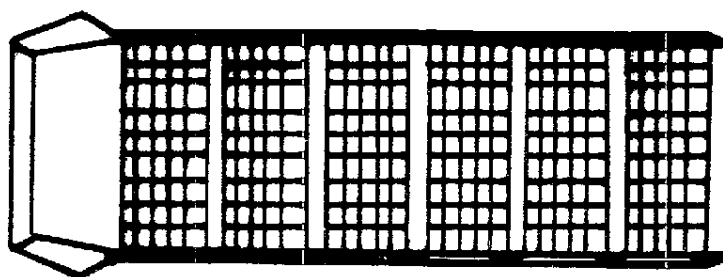
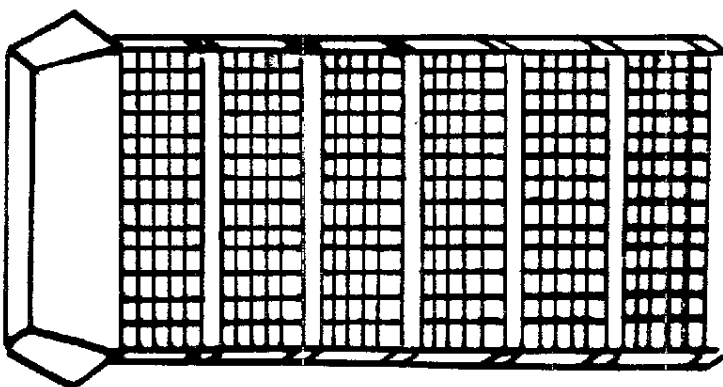
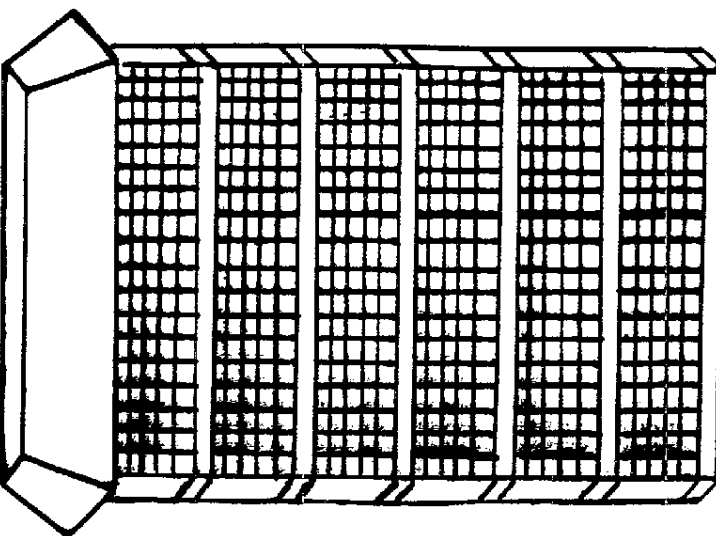
2061558706

COMPARATIVE P.O.G. ANALYSIS

<u>RACK AND P.O.G.</u>	<u>PAYMENTS</u> +	<u>PROFIT FROM POTENTIAL SALES</u>	=	<u>PAYMENTS + PROFITS</u>	-	<u>POTENTIAL LOST REVENUE</u>	=	<u>TOTAL PROFIT</u>
CURRENT	\$513	\$6,166		\$6,679		\$(481)		\$6,198
RECOMMENDED	\$522	\$6,166		\$6,688		\$ ---		\$6,688

2061558707

**PHILIP
SMORRIS**



2061558708

**PHILIP
SMORRIS**

FOG

SYSTEM

ANALYSIS COMPLETED FOR:

- **SAFEWAY**
- **KROGER**
- **ECKERD**
- **CIRCLE K**
- **SOUTHLAND**
- **K-MART**
- **PATHMARK**
- **WALMART**
- **GRAND UNION**
- **WINN DIXIE**

2061558709

**W. S. PHILIP
MORRIS**

POG.

**CAN SIMULATE ALL
RETAIL CONDITIONS**

**UNMATCHED PROFITABILITY
ANALYSIS**

**MOST
SOPHISTICATED
P.O.G. SYSTEM
ANYWHERE**

**W. S. PHILIP
MORRIS** **COMPETITIVE ADVANTAGE**

2061558710

COMPETITIVE SHELF ALLOCATION SYSTEMS

- SPACEMAN (LOGISTICS DATA)
- APOLLO (ABA GROUPS)
- ACCUSPACE

BENEFITS

- P.C.-BASED SYSTEMS
 - SPEED OF CALCULATIONS
- GRAPHICS
 - MENU (USER FRIENDLY)
 - OUTPUT
- P&G TOTAL EFFICIENCY SYSTEM (TSE)
 - LINKING SOFTWARE

LIMITATIONS

- MERCHANDISING CONTRACTS
 - PAYMENTS
 - SHELF LOCATION
 - CONTIGUITY
- DEPARTMENT SIZE
 - END-CAP VS. IN-LINE
- DETAIL GRAPHICS

2061558711

IN-STORE TESTING

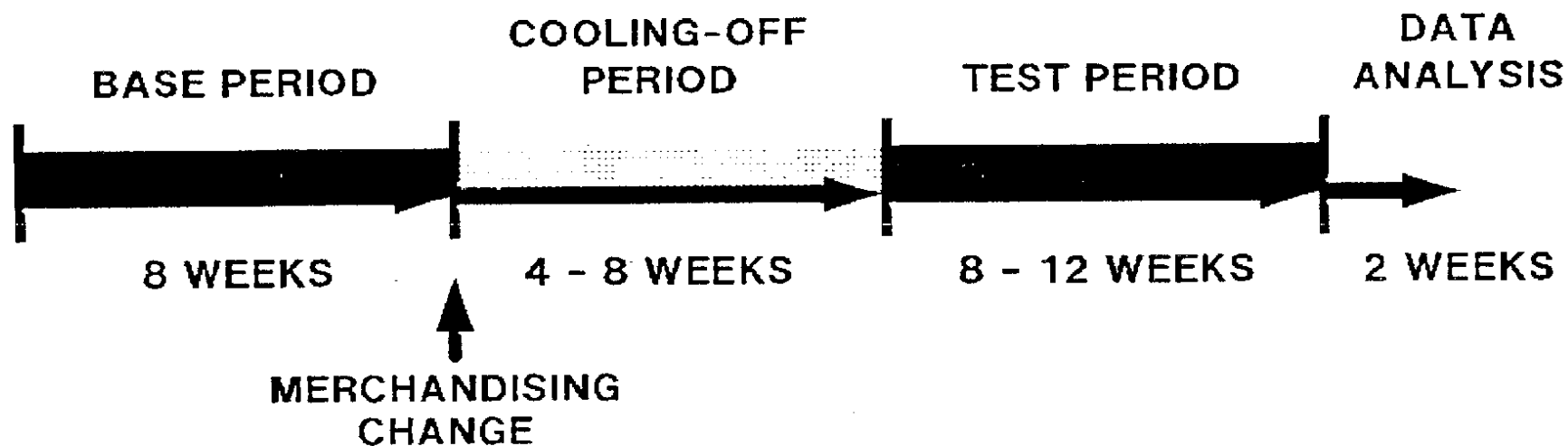
HYPOTHETICAL CONTROLLED IN-STORE TEST PANEL SIZE

	<u># OF STORES</u>
TEST PANEL (MERCHANDISING CHANGE)	15
CONTROL PANEL (NO CHANGE)	15
TOTAL	<u>30*</u>

* THE PANEL SIZE REQUIRED IS DEPENDENT UPON MANY
STATISTICAL FACTORS

2061558712

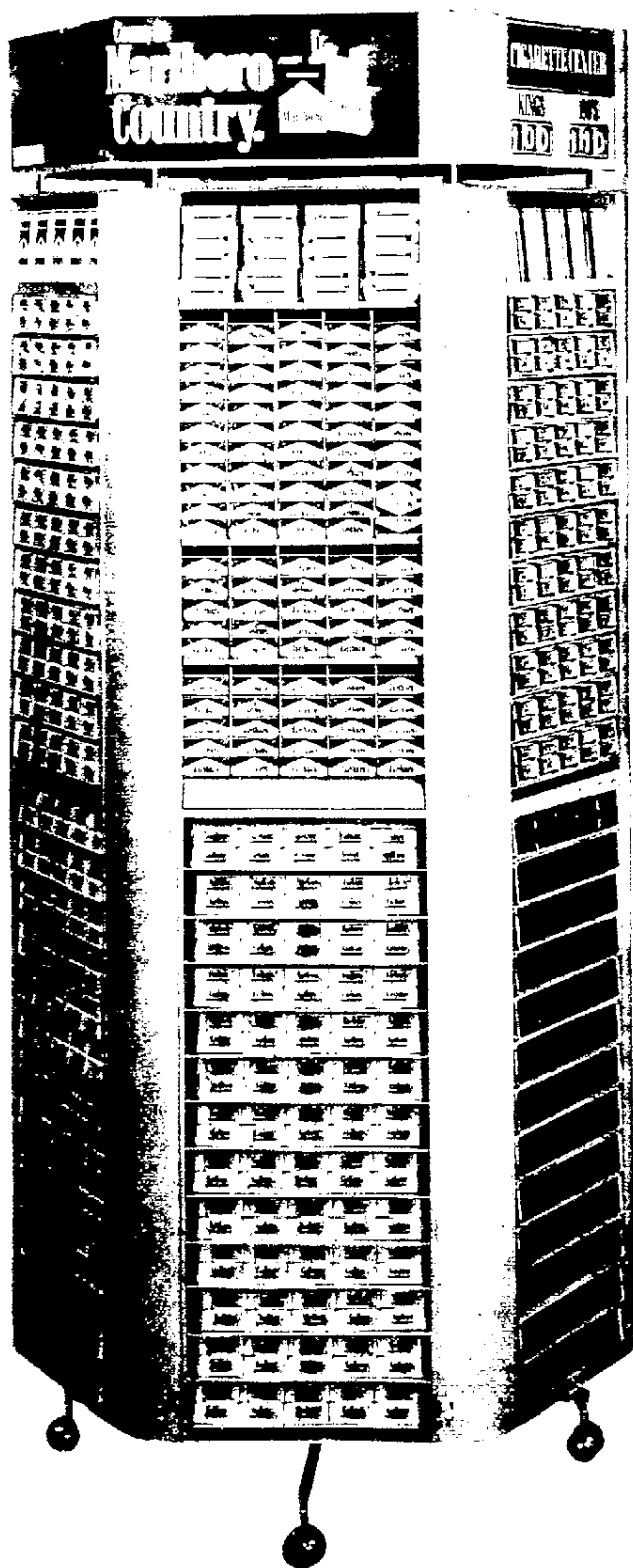
IN-STORE TESTING TIME PERIODS



30-WEEK TEST

2061558713

IN-STORE TESTING



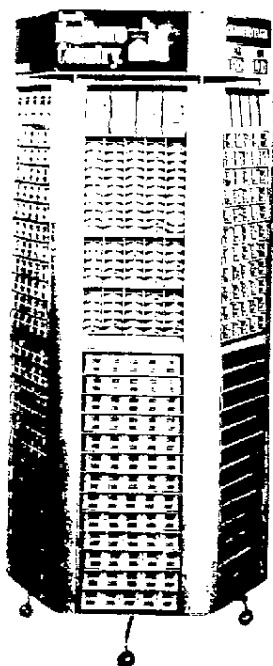
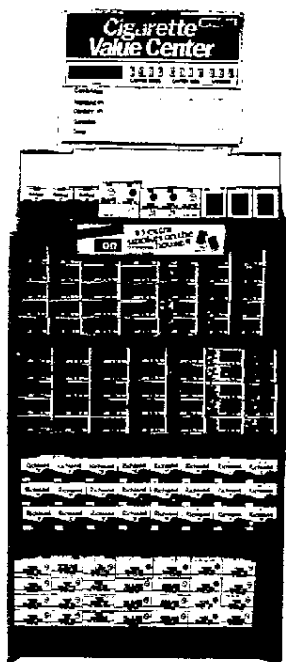
V O N S

- CONVERSION FROM BELT-LINE PACKAGE FIXTURING TO PM SPINNER FIXTURES.
- RAW SCANNER DATA RECEIVED; ANALYSIS AND INTERPRETATION TO BEGIN.

OBJECTIVE

- DEVELOP SALES AID.
- PROGRAM MODIFICATION,

2061558714



MULTIVARIATE TEST

- NON-SELF SERVICE CONVERSION TO SELF SERVICE.
- LOBBY TO PM ENDCAP FIXTURE.
- AG/AV VALUE CENTERS
- PM PACKAGE SPINNER FIXTURES
- DATA COLLECTION TO BEGIN AUGUST 1986.

OBJECTIVES

- SELL PM MERCHANDISING PROGRAMS TO SAFEWAY-L.A.
- SALES AID
- PROGRAM MODIFICATION

2061558715

IN-STORE TESTING



MULTIVARIATE TEST

- INITIAL MEETING TO DISCUSS TEST WITH ACCOUNT SCHEDULED FOR MID-AUGUST.
- NON-SELF SERVICE TO SELF SERVICE CONVERSION.
- B DISPLAY
- AG/AV VALUE CENTERS
- PRICE ELASTICITY
- PROMOTION/INCENTIVE

OBJECTIVES

- SELL PM MERCHANDISING PROGRAMS TO CIRCLE K.
- SALES AID
- PROGRAM MODIFICATION
- ENHANCE PM KNOWLEDGE OF TRADE CLASS.
- VALUE OF PROMOTIONS TO PM AND ACCOUNT.

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2061558717